



SCHEDULE A

2016/17 DRAFT ANNUAL BUDGET
AND SUPPORTING
DOCUMENTATION OF
OKHAHLAMBA LOCAL
MUNICIPALITY

ANNUAL DRAFT BUDGET OF
OKHAHLAMBA LOCAL MUNICIPALITY

2016/17 TO 2018/19
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

BPC	Budget Planning Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
DoRA	Division of Revenue Act
EE	Employment Equity
M	Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
EXCO	Executive Council Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NGO	Non-Governmental organisations
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
DC	District
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budgets

1.1 Mayor's Report

MAYORAL 2016/17 BUDGET SPEECH

Honorable Speaker, Cllr G Ndaba

Deputy Mayor of Okhahlamba Local Municipality: Cllr SZ Khumalo

Members of the Council of Okhahlamba Local Municipality

Amakhosi

Officials and all protocol observed

Greetings to all

Chairperson, Ms. Speaker, I would like to greet you and all members of the council, officials and all stakeholders representatives, and I hereby present Annual Draft Budget for 2016/17 financial year as outlined in the Municipal Finance Management Act. (Section 16 (2)) in relation to the tabling of the Annual Draft Budget, I would like to highlight the following items:

Operating Budget : R 140 million

Capital Budget Expenditure : R 60 million

Total Budget : R 200 million

Honourable Speaker and councilors, this report reflects the wishes and aspirations of the people of Okhahlamba and it is aligned with the priorities set by National Treasury budget circular and it is in line with the Okhahlamba SDBIP and IDP priorities which according to my administration's point of view should be implemented at a Local Level after considering the needs of the Community, councilors I would also like to highlight this, Okhahlamba Local Municipality has archived 100% spending on 2015/16 financial year on Municipal Infrastructure Grant of which it was a good performance in terms of community service delivery which is the priority of Umkhandlu wasoKhahlamba. I would like to grant council members a chance to look into the content and more details are contained in the attached reports.

As I conclude I would like council members to have in mind the need to provide quality services to our community and for Umkhandlu wasoKhahlamba to maintain the 2014/15 clean Audit report from Auditor-General when considering Final Budget, I thank you for this wonderful opportunity granted to me to present this Budget to the Council of Okhahlamba.

Thank you.

1. DRAFT CAPITAL BUDGET

Council has set aside a projected capital funding of R 60 million, of which R28 million from MIG, R10.5 million from INEP and R21 million from Own Funding.

Capital expenditure	60,275
Transfers recognised - capital	38,925
Public contributions & donations	–
Borrowing	–
Internally generated funds	21,350
Total sources of capital funds	60,275

The 2016/17 Draft Annual Budget:

2. DRAFT OPERATIONAL BUDGET

<u>Financial Performance</u>	
Property rates	28,218
Service charges	2,019
Investment revenue	2,404
Transfers recognised - operational	104,065
Other own revenue	3,537
Total Revenue (excluding capital transfers and contributions)	140,243
Employee costs	48,630
Remuneration of councilors	8,653
Depreciation & asset impairment	15,329
Finance charges	429
Materials and bulk purchases	10,701
Transfers and grants	–
Other expenditure	61,451

Total Expenditure	141,829
Surplus/(Deficit)	7,132
Transfers recognized - capital	38,925
Contributions recognized - capital & contributed assets	0
Surplus/(Deficit) after capital transfers & contributions	46,057
Share of surplus/ (deficit) of associate	0
Surplus/ (Deficit) for the year	46,057
<u>Capital expenditure & funds sources</u>	
Capital expenditure	60,275
Transfers recognized - capital	38,925
Public contributions & donations	—
Borrowing	—
Internally generated funds	21,350
Total sources of capital funds	60,275
TOTAL REVENUE	209,236
TOTAL EXPENDITURE	202,104
SURPLUS (DEFICIT)	7,132

Council has approved funding for provision of bad debt, indigence provision and debt impairment to cushion against any shortfall in anticipated revenue. The indigent register is the process of completion which once the process is finalized council has to decide on the way forward. This would require council to conclude on whether we impose an automatic indigent on the bases of property values or by application or a combination of both.

REVENUE AND EXPENDITURE

In the projection of our income the following has been taken into consideration:

- The ability of the community to pay for services received
- The effect on the consumer accounts

- The realistic revenue estimates taking into consideration actual income available and estimates growth percentage
- Identification of grants from National and other agencies
- The impact of the inflation and costs increase
- The requirements of the tariff policy
- The effect of the recent drought on our ratepayers especially on agricultural sector
- Municipal Property Rates Policies
- Credible collection rates and collection improvements targets

The municipal revenue is based on rates and refuse collection services. There is a projected increase in rates of 6%, which will allow the rate payers, especially residents to pay for their rates. There has been a historic resistance by the public in the payment of rates; this due to the history of non-delivery of services in the municipality in the past although due to the change in the municipal leadership and processes which allows service delivery to be more positive, the culture of non-payment is also minimized. Refuse tariff will further increase by the same margin 6%.

The municipality employed a Senior Legal Advisor on a permanent basis coupled with the procurement of the services of debt collection legal firms to assist in the collection of long outstanding debts from our defaulters in order to improve collection and cash flow.

In closing, the municipality intends to ensure that we remain focus in costs cutting measures that do not add value to services delivery. Furthermore, there is a drive to achieve at least R30 000 000 in a long term-investment, and thus shall maintain our gearing at 50%, liquidity ratio at 2.5 and our asset ratio at 4.1.

1.2 Council Resolutions

EXTRACT OF THE RESOLUTION FROM THE MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON WEDNESDAY THE 24 FEBRUARY 2016 IN THE MUNICIPAL COUNCIL CHAMBER, NO. 259 KINGSWAY STREET, BERGVILLE AT 10H00

9.1 Draft Annual Budget and Draft IDP for 2016/17 Financial Year

The Chief Financial Officer, Mr. S. B. Ndabandaba elaborated as per the report and Draft Annual budget which was projected on the wall and also attached in the Executive Committee agenda dated the 23st February 2016.

Following a proposal from Councilors K. Simelane seconded by councilors M. N. Dubazana.

It was accordingly;

RESOLVED THAT:

The draft budget 2016/17 Financial Year be approved

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Okhahlamba financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Okhahlamba business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. This has resulted in savings to the municipality of nearly R48 million or 10 percent of the current financial year's adjusted budget. Key areas where savings were realized were on telephone and internet usage, printing, workshops, overseas and national travel, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Okhahlamba has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Budget Circulars were used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2016/17 MTREF process; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

- The 2016/17 Draft Budget priorities and targets, as well as the base line allocations contained in that Draft Budget were adopted as the upper limits for the new baselines for the 2016/17 annual budget;

- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Draft Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2016/17 MTREF

Choose name from list - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Financial Performance										
Property rates	17 653	25 228	30 755	30 584	26 834	26 834	26 834	28 218	29 855	29 640
Service charges	355	354	365	387	1 905	1 905	1 905	2 019	2 136	2 260
Investment revenue	2 535	3 530	2 140	2 268	2 268	2 268	2 268	2 404	2 544	2 691
Transfers recognised - operational	71 240	78 728	90 039	104 103	110 004	110 004	110 004	104 065	110 101	116 487
Other own revenue	1 574	5 115	3 166	2 834	3 414	3 414	3 414	3 536	3 720	3 939
Total Revenue (excluding capital transfers and contributions)	93 357	112 955	126 465	140 177	144 425	144 425	144 425	140 243	148 356	155 017
Employee costs	27 712	36 291	41 012	43 361	45 496	45 496	45 496	48 630	52 024	55 631
Remuneration of councillors	6 783	7 338	7 340	7 765	8 589	8 589	8 589	8 653	9 259	9 907
Depreciation & asset impairment	5 117	9 594	12 230	12 963	12 963	12 963	12 963	12 592	13 525	14 303
Finance charges	417	1 117	2 298	487	2 504	2 504	2 504	429	454	481
Materials and bulk purchases	–	–	1 325	1 539	1 739	1 739	1 739	1 000	1 058	1 119
Transfers and grants	663	1 136	7 237	7 671	6 483	6 483	6 483	8 132	8 620	9 073
Other expenditure	32 641	48 207	54 362	59 582	57 778	57 778	57 778	60 008	44 040	89 180
Total Expenditure	73 333	103 682	125 803	133 370	135 552	135 552	135 552	139 444	128 980	179 694
Surplus/(Deficit)	20 024	9 272	661	6 807	8 873	8 873	8 873	799	19 376	(24 677)
Transfers recognised - capital	34 733	48 933	43 014	37 456	37 456	37 456	37 456	38 925	–	–
Contributions recognised - capital & contributed	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Capital expenditure & funds sources										
Capital expenditure	40 806	88 153	82 066	81 062	116 391	116 391	116 391	60 275	39 962	–
Transfers recognised - capital	34 104	48 933	43 014	37 456	69 456	69 456	69 456	38 925	39 877	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	6 703	39 220	39 052	43 606	46 935	46 935	46 935	21 350	85	–
Total sources of capital funds	40 806	88 153	82 066	81 062	116 391	116 391	116 391	60 275	39 962	–
Financial position										
Total current assets	90 286	70 942	47 469	93 004	93 004	93 004	93 004	61 372	72 635	5 000
Total non current assets	98 555	176 322	195 435	264 510	264 510	264 510	264 510	292 205	320 136	–
Total current liabilities	43 116	35 914	30 994	29 852	29 852	29 852	29 852	24 395	27 555	–
Total non current liabilities	9 389	17 693	25 640	5 497	5 497	5 497	5 497	5 497	5 497	–
Community wealth/Equity	136 336	193 656	186 270	322 166	322 166	322 166	322 166	323 686	359 720	5 000
Cash flows										
Net cash from (used) operating	51 091	44 354	28 305	58 644	89 548	89 548	89 548	57 847	51 357	–
Net cash from (used) investing	(40 632)	(88 068)	(62 385)	(55 062)	(95 391)	(95 391)	(95 391)	(33 545)	(33 962)	–
Net cash from (used) financing	3 542	7 683	(1 893)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	–
Cash/cash equivalents at the year end	78 828	42 798	6 825	7 839	(8 411)	(8 411)	(8 411)	21 734	36 561	36 561
Cash backing/surplus reconciliation										
Cash and investments available	78 829	42 798	6 825	61 599	61 599	61 599	61 599	41 442	56 269	5 000
Application of cash and investments	15 235	17 530	(5 522)	2 730	(934)	(934)	(934)	7 862	13 940	–
Balance - surplus (shortfall)	63 594	25 268	12 347	58 869	62 533	62 533	62 533	33 580	42 329	5 000
Asset management										
Asset register summary (WDV)	98 722	176 322	195 435	264 510	550	550	550	550	550	–
Depreciation & asset impairment	5 117	9 594	12 230	12 963	12 963	12 963	12 592	12 592	13 525	14 303
Renewal of Existing Assets	–	–	–	6 125	–	–	–	–	–	–
Repairs and Maintenance	1 999	5 532	10 236	9 983	10 983	10 983	9 749	9 749	10 314	10 913
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	355	354	4 384	5 085	8 716	8 716	8 716	8 716	9 465	10 014
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	25	25	25	25	–	–	–	–	–	–

For Okhahlamba Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in Okhahlamba and continued economic development;
- Efficient revenue management, which aims to ensure a 95 % annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of Okhahlamba Local Municipality.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		99 419	194 357	122 482	135 627	6 523	142 150	133 740	141 497	169 154
Executive and council		64 918	157 331	79 537	98 536	354	98 890	98 737	104 464	110 523
Budget and treasury office		34 479	37 025	37 025	37 048	268	37 316	34 958	36 986	58 581
Corporate services		22	-	5 920	42	5 902	5 944	45	48	50
<i>Community and public safety</i>		2 117	-	1 953	1 945	243	2 189	1 550	1 640	1 735
Community and social services		2 117	-	1 953	1 945	243	2 189	1 550	1 640	1 735
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34 100	-	44 549	39 537	32 000	71 537	41 044	42 316	44 191
Planning and development		34 100	-	44 549	39 537	32 000	71 537	41 044	42 316	44 191
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		355	-	365	387	1 518	1 905	2 019	2 136	2 260
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		355	-	365	387	1 518	1 905	2 019	2 136	2 260
<i>Other</i>	4	-	-	129	137	(19)	118	145	153	162

Table 3 Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for Okhahlamba. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2016/17 financial year, revenue from rates and services charges totaled R 33 million or 6 %

Operating grants and transfers totals R104 million in the 2016/17 financial year. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Property rates	2	15 183	22 152	27 566	28 762	25 012	25 012	25 012	26 286	27 811	29 424
Property rates - penalties & collection charges		2 470	3 076	3 189	1 823	1 823	1 823	1 823	1 932	2 044	216
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	355	354	365	387	1 905	1 905	1 905	2 019	2 136	2 260
Service charges - other						-	-	-			
Rental of facilities and equipment		22	4	99	105	87	87	87	111	95	101
Interest earned - external investments		2 535	3 530	2 140	2 268	2 268	2 268	2 268	2 404	2 544	2 691
Interest earned - outstanding debtors						-	-	-			
Dividends received						-	-	-			
Fines		151	577	354	375	375	375	375	134	142	151
Licences and permits				509	396	397	397	397	421	445	470
Agency services		614	527	591	482	637	637	637	198	209	221
Transfers recognised - operational		71 240	78 728	90 039	104 103	110 004	110 004	110 004	104 065	110 101	116 487
Other revenue	2	787	3 309	1 385	1 476	1 565	1 565	1 565	2 672	2 829	2 995
Gains on disposal of PPE			697	228		354	354	354			
Total Revenue (excluding capital transfers and contributions)		93 357	112 955	126 465	140 177	144 425	144 425	144 425	140 243	148 356	155 017

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of Okhahlamba.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 % upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- R 85.80 rebate for first R15000 will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/17 financial year based on a 6 % increase from 1 July 2016 is contained below:

Table 5 Comparison of proposed rates to be levied for the 2016/17 financial year

The tariff policy has been attached to this document together with the budget related policies

1.3.2 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Okhahlamba will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive

investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

A 6% increase in the waste removal tariff is proposed from 1 July 2016. Higher increases will not be viable in 2016 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 6% would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

1.4 Operating Expenditure Framework

Okhahlamba expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The budgeted allocation for employee related costs for the 2016/17 financial year totals R48 million, which equals 35% of the total operating expenditure. An annual increase of 7 per cent has been included in the two outer years of the MTREF. As part of Okhahlamba cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling Okhahlamba Local Municipality budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 11 million for the 2016/17 financial and equates to 66 % of the total operating budget. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 4.5 per cent)
Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the

Municipality infrastructure. For 2016/17 the appropriation against this group of expenditure has grown by 6% and continues to grow at 6% for the two outer years

A contracted service has been identified as a cost saving area for the Municipality. As part of the compilation of the 2016/17 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2016/17 financial year, this group of expenditure has escalated by just.6 %, clearly demonstrating the application of cost efficiencies. For the two outer years growth has been limited to 6 %. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2016/17 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out.

1.4.1

1.4.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers.

During the compilation of the 2015/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipal infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially decrease by 23 % in the 2014/15 financial year, from R 13 million to R10 million. The total allocation for 2013/14 equates to R 7 million a growth of 30% in relation to the Adjustment Budget and continues to grow at.6% over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of .6 % for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

1.4.3 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipal Indigent Policy. The target is to register 20 000 or more indigent households during the 2015/16 financial year, a process reviewed annually

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

For 2016/17 an amount of R60 Million has been appropriated for the development of infrastructure which represents 70% of the total capital budget

1.5.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35 on page 91, It needs to be noted that as part of the 2016/17 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 6 MBRR Table A1 - Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
<u>Financial Performance</u>										
Property rates	17 653	25 228	30 755	30 584	26 834	26 834	26 834	28 218	29 855	29 640
Service charges	355	354	365	387	1 905	1 905	1 905	2 019	2 136	2 260
Investment revenue	2 535	3 530	2 140	2 268	2 268	2 268	2 268	2 404	2 544	2 691
Transfers recognised - operational	71 240	78 728	90 039	104 103	110 004	110 004	110 004	104 065	110 101	116 487
Other own revenue	1 574	5 115	3 166	2 834	3 414	3 414	3 414	3 536	3 720	3 939
Total Revenue (excluding capital transfers and contributions)	93 357	112 955	126 465	140 177	144 425	144 425	144 425	140 243	148 356	155 017
Employee costs	27 712	36 291	41 012	43 361	45 496	45 496	45 496	48 630	52 024	55 631
Remuneration of councillors	6 783	7 338	7 340	7 765	8 589	8 589	8 589	8 653	9 259	9 907
Depreciation & asset impairment	5 117	9 594	12 230	12 963	12 963	12 963	12 963	12 592	13 525	14 303
Finance charges	417	1 117	2 298	487	2 504	2 504	2 504	429	454	481
Materials and bulk purchases	-	-	1 325	1 539	1 739	1 739	1 739	1 000	1 058	1 119
Transfers and grants	663	1 136	7 237	7 671	6 483	6 483	6 483	8 132	8 620	9 073
Other expenditure	32 641	48 207	54 362	59 582	57 778	57 778	57 778	60 008	44 040	89 180
Total Expenditure	73 333	103 682	125 803	133 370	135 552	135 552	135 552	139 444	128 980	179 694
Surplus/(Deficit)	20 024	9 272	661	6 807	8 873	8 873	8 873	799	19 376	(24 677)
Transfers recognised - capital	34 733	48 933	43 014	37 456	37 456	37 456	37 456	38 925	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
<u>Capital expenditure & funds sources</u>										
Capital expenditure	40 806	88 153	82 066	81 062	116 391	116 391	116 391	60 275	39 962	-
Transfers recognised - capital	34 104	48 933	43 014	37 456	69 456	69 456	69 456	38 925	39 877	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6 703	39 220	39 052	43 606	46 935	46 935	46 935	21 350	85	-
Total sources of capital funds	40 806	88 153	82 066	81 062	116 391	116 391	116 391	60 275	39 962	-
<u>Financial position</u>										
Total current assets	90 286	70 942	47 469	93 004	93 004	93 004	93 004	61 372	72 635	5 000
Total non current assets	98 555	176 322	195 435	264 510	264 510	264 510	264 510	292 205	320 136	-
Total current liabilities	43 116	35 914	30 994	29 852	29 852	29 852	29 852	24 395	27 555	-
Total non current liabilities	9 389	17 693	25 640	5 497	5 497	5 497	5 497	5 497	5 497	-
Community wealth/Equity	136 336	193 656	186 270	322 166	322 166	322 166	322 166	323 686	359 720	5 000
<u>Cash flows</u>										
Net cash from (used) operating	51 091	44 354	28 305	58 644	89 548	89 548	89 548	57 847	51 357	-
Net cash from (used) investing	(40 632)	(88 068)	(62 385)	(55 062)	(95 391)	(95 391)	(95 391)	(33 545)	(33 962)	-
Net cash from (used) financing	3 542	7 683	(1 893)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	-
Cash/cash equivalents at the year end	78 828	42 798	6 825	7 839	(8 411)	(8 411)	(8 411)	21 734	36 561	36 561
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	78 829	42 798	6 825	61 599	61 599	61 599	61 599	41 442	56 269	5 000
Application of cash and investments	15 235	17 530	(5 522)	2 730	(934)	(934)	(934)	7 862	13 940	-
Balance - surplus (shortfall)	63 594	25 268	12 347	58 869	62 533	62 533	62 533	33 580	42 329	5 000
<u>Asset management</u>										
Asset register summary (WDV)	98 722	176 322	195 435	264 510	550	550	550	550	550	-
Depreciation & asset impairment	5 117	9 594	12 230	12 963	12 963	12 963	12 592	12 592	13 525	14 303
Renewal of Existing Assets	-	-	-	6 125	-	-	-	-	-	-
Repairs and Maintenance	1 999	5 532	10 236	9 983	10 983	10 983	9 749	9 749	10 314	10 913
<u>Free services</u>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	355	354	4 384	5 085	8 716	8 716	8 716	8 716	9 465	10 014
<u>Households below minimum service level</u>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	25	25	25	25	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 7 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		99 419	194 357	122 482	135 627	6 523	142 150	133 740	141 497	169 154
Executive and council		64 918	157 331	79 537	98 536	354	98 890	98 737	104 464	110 523
Budget and treasury office		34 479	37 025	37 025	37 048	268	37 316	34 958	36 986	58 581
Corporate services		22	-	5 920	42	5 902	5 944	45	48	50
<i>Community and public safety</i>		2 117	-	1 953	1 945	243	2 189	1 550	1 640	1 735
Community and social services		2 117	-	1 953	1 945	243	2 189	1 550	1 640	1 735
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34 100	-	44 549	39 537	32 000	71 537	41 044	42 316	44 191
Planning and development		34 100	-	44 549	39 537	32 000	71 537	41 044	42 316	44 191
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		355	-	365	387	1 518	1 905	2 019	2 136	2 260
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		355	-	365	387	1 518	1 905	2 019	2 136	2 260
<i>Other</i>	4	-	-	129	137	(19)	118	145	153	162
Total Revenue - Standard	2	135 991	194 357	169 479	177 633	40 265	217 898	178 498	187 743	217 502
Expenditure - Standard										
<i>Governance and administration</i>		71 337	103 682	72 515	73 149	5 587	5 587	79 621	84 617	89 930
Executive and council		39 768	103 682	24 120	26 362	169	169	36 800	39 099	41 543
Budget and treasury office		3 854	-	27 779	25 262	4 413	4 413	20 030	21 275	22 597
Corporate services		27 715	-	20 616	21 525	1 005	1 005	22 791	24 244	25 790
<i>Community and public safety</i>		-	-	17 508	19 138	2 161	2 161	22 426	23 940	25 469
Community and social services		-	-	17 508	19 138	2 161	2 161	22 426	23 940	25 469
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 996	-	33 942	35 184	3 141	3 141	35 459	37 709	40 104
Planning and development		1 996	-	33 942	35 184	3 141	3 141	35 459	37 709	40 104
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	1 838	5 898	(2 456)	(2 456)	5 580	5 913	6 266
Total Expenditure - Standard	3	73 333	103 682	125 803	133 370	8 433	8 433	143 085	152 179	161 769
Surplus/(Deficit) for the year		62 658	90 674	43 675	44 263	31 832	209 465	35 413	35 563	55 733

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 8 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Revenue by Vote	1									
Vote 1 - Council		64 916	157 331	79 537	98 536	98 890	98 890	98 737	104 464	110 523
Vote 2 - Finance		22 965	–	37 025	37 048	37 048	37 048	34 958	36 986	58 581
Vote 3 - Corporate		22	–	5 920	42	5 944	5 944	45	48	50
Vote 4 - Library		33	–	891	958	1 006	1 006	1 066	1 128	1 194
Vote 5 - Museum		–	–	151	166	166	166	176	187	198
Vote 6 - Traffic		765	–	911	821	1 016	1 016	307	325	344
Vote 7 - Technical		34 100	–	44 549	39 537	71 537	71 537	41 044	42 316	44 191
Vote 8 - Tourism		–	–	129	137	118	118	145	153	162
Vote 9 - Refuse Removal		355	–	365	387	1 905	1 905	2 019	2 136	2 260
Vote 10 - Municipal Manager		2	–	–	–	–	–	–	–	–
Vote 11 - Social Services		1 319	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	124 477	157 331	169 479	177 633	217 630	217 630	178 497	187 743	217 502
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		39 768	103 682	18 037	20 490	17 892	19 443	28 252	29 809	31 459
Vote 2 - Finance		3 854	–	27 779	25 262	29 675	29 675	20 030	21 275	22 597
Vote 3 - Corporate		27 715	–	20 616	21 525	22 531	22 531	22 791	24 244	25 790
Vote 4 - Library		–	–	1 097	1 161	1 242	1 242	1 330	1 420	1 517
Vote 5 - Museum		–	–	453	479	485	485	518	637	680
Vote 6 - Traffic		–	–	3 333	3 528	4 108	4 108	4 146	4 423	4 718
Vote 7 - Technical		1 996	–	33 942	35 184	33 520	38 325	35 459	37 709	40 104
Vote 8 - Tourism		–	–	1 838	5 898	3 443	3 443	5 580	5 913	6 266
Vote 9 - Refuse Removal		–	–	–	–	–	–	–	–	–
Vote 10 - Municipal Manager		–	–	6 082	5 872	7 089	7 089	7 562	8 061	8 594
Vote 11 - Social Services		–	–	12 626	13 971	15 465	15 465	16 432	17 461	18 554
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	73 333	103 682	125 803	133 370	135 448	141 803	142 099	150 951	160 279
Surplus/(Deficit) for the year	2	51 144	53 649	43 675	44 263	82 183	75 827	36 399	36 792	57 223

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 9 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Revenue By Source											
Property rates	2	15 183	22 152	27 566	28 762	25 012	25 012	25 012	26 286	27 811	29 424
Property rates - penalties & collection charges		2 470	3 076	3 189	1 823	1 823	1 823	1 823	1 932	2 044	216
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	355	354	365	387	1 905	1 905	1 905	2 019	2 136	2 260
Service charges - other						-	-	-			
Rental of facilities and equipment		22	4	99	105	87	87	87	111	95	101
Interest earned - external investments		2 535	3 530	2 140	2 268	2 268	2 268	2 268	2 404	2 544	2 691
Interest earned - outstanding debtors						-	-	-			
Dividends received						-	-	-			
Fines		151	577	354	375	375	375	375	134	142	151
Licences and permits				509	396	397	397	397	421	445	470
Agency services		614	527	591	482	637	637	637	198	209	221
Transfers recognised - operational		71 240	78 728	90 039	104 103	110 004	110 004	110 004	104 065	110 101	116 487
Other revenue	2	787	3 309	1 385	1 476	1 565	1 565	1 565	2 672	2 829	2 995
Gains on disposal of PPE			697	228		354	354	354			
Total Revenue (excluding capital transfers and contributions)		93 357	112 955	126 465	140 177	144 425	144 425	144 425	140 243	148 356	155 017
Expenditure By Type											
Employee related costs	2	27 712	36 291	41 012	43 361	45 496	45 496	45 496	48 630	52 024	55 631
Remuneration of councillors		6 783	7 338	7 340	7 765	8 589	8 589	8 589	8 653	9 259	9 907
Debt impairment	3	3 437	5 338	4 322	2 582	2 582	2 582	2 582	2 737	2 901	3 075
Depreciation & asset impairment	2	5 117	9 594	12 230	12 963	12 963	12 963	12 963	12 592	13 525	14 303
Finance charges		417	1 117	2 298	487	2 504	2 504	2 504	429	454	481
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8			1 325	1 539	1 739	1 739	1 739	1 000	1 058	1 119
Contracted services		-	1 993	3 545	3 152	3 700	3 700	3 700	13 489	4 156	4 403
Transfers and grants		663	1 136	7 237	7 671	6 483	6 483	6 483	8 132	8 620	9 073
Other expenditure	4, 5	27 963	40 876	46 346	53 848	51 496	51 496	51 496	43 781	36 983	81 702
Loss on disposal of PPE		1 241		149							
Total Expenditure		73 333	103 682	125 803	133 370	135 552	135 552	135 552	139 444	128 980	179 694
Surplus/(Deficit)											
Transfers recognised - capital		20 024	9 272	661	6 807	8 873	8 873	8 873	799	19 376	(24 677)
Contributions recognised - capital	6	34 733	48 933	43 014	37 456	37 456	37 456	37 456	38 925		
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Taxation											
Surplus/(Deficit) after taxation		54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)

Table 10 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-
Vote 4 - Library		-	-	-	-	-	-	-	-	-	-
Vote 5 - Museum		-	-	-	-	-	-	-	-	-	-
Vote 6 - Traffic		-	-	-	-	-	-	-	-	-	-
Vote 7 - Technical		-	-	-	27 456	35 789	35 789	35 789	-	-	-
Vote 8 - Tourism		-	-	-	-	3 822	3 822	3 822	-	-	-
Vote 9 - Refuse Removal		-	-	18 282	22 825	-	-	-	-	-	-
Vote 10 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 11 - Social Services		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	18 282	50 281	39 610	39 610	39 610	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Council		40 806	88 153	8 000	-	-	-	-	350	-	-
Vote 2 - Finance		-	-	-	150	150	150	-	500	-	-
Vote 3 - Corporate		-	-	200	600	600	600	-	1 900	-	-
Vote 4 - Library		-	-	-	-	-	-	-	-	-	-
Vote 5 - Museum		-	-	-	-	-	-	-	-	-	-
Vote 6 - Traffic		-	-	-	-	-	-	-	-	-	-
Vote 7 - Technical		-	-	54 988	52 061	49 061	49 061	-	51 125	-	-
Vote 8 - Tourism		-	-	-	-	-	-	-	-	-	-
Vote 9 - Refuse Removal		-	-	-	-	-	-	-	-	-	-
Vote 10 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 11 - Social Services		-	-	596	5 426	-	3 926	-	6 400	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		40 806	88 153	63 784	58 237	49 811	53 737	-	60 275	-	-
Total Capital Expenditure - Vote		40 806	88 153	82 066	108 518	89 421	93 348	39 610	60 275	-	-
Capital Expenditure - Standard											
Governance and administration		10 273	88 153	8 200	750	750	750	750	2 750	85	-
Executive and council		8 621	88 153	8 000	-	-	-	-	350	-	-
Budget and treasury office		-	-	-	150	150	150	150	500	-	-
Corporate services		1 652	-	200	600	600	600	600	1 900	85	-
Community and public safety		-	-	596	5 426	4 276	4 276	4 276	6 400	-	-
Community and social services		-	-	596	5 426	4 276	4 276	4 276	6 400	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		30 534	-	73 271	74 886	111 365	111 365	111 365	51 125	39 877	-
Planning and development		30 534	-	73 271	74 886	111 365	111 365	111 365	51 125	39 877	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	40 806	88 153	82 066	81 062	116 391	116 391	116 391	60 275	39 962	-
Funded by:											
National Government		28 393	26 453	34 149	37 456	37 456	37 456	37 456	38 925	39 877	-
Provincial Government		5 710	22 480	8 865	-	32 000	32 000	32 000	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	34 104	48 933	43 014	37 456	69 456	69 456	69 456	38 925	39 877	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	6	6 703	39 220	39 052	43 606	46 935	46 935	46 935	21 350	85	-
Total Capital Funding	7	40 806	88 153	82 066	81 062	116 391	116 391	116 391	60 275	39 962	-

Table 11 MBRR Table A6 - Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash	1	34 525	6 226	6 226	7 708	7 708	7 708	7 708	11 442	16 269	5 000
Call investment deposits	1	44 304	36 573	600	53 891	53 891	53 891	53 891	30 000	40 000	–
Consumer debtors	1	8 546	13 474	23 474	24 085	24 085	24 085	24 085	19 930	16 366	–
Other debtors		2 911	14 670	17 170	7 320	7 320	7 320	7 320			
Current portion of long-term receivables											
Inventory	2										
Total current assets		90 286	70 942	47 469	93 004	93 004	93 004	93 004	61 372	72 635	5 000
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	98 470	176 322	195 035	263 960	263 960	263 960	263 960	291 655	319 586	–
Agricultural											
Biological											
Intangible				400	550	550	550	550	550	550	
Other non-current assets		86									
Total non current assets		98 555	176 322	195 435	264 510	264 510	264 510	264 510	292 205	320 136	–
TOTAL ASSETS		188 841	247 264	242 904	357 514	357 514	357 514	357 514	353 578	392 771	5 000
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	7 551	2 568	2 568	2 568	2 568	–	–	–
Consumer deposits											
Trade and other payables	4	43 116	35 914	23 443	27 284	27 284	27 284	27 284	24 395	27 555	–
Provisions											
Total current liabilities		43 116	35 914	30 994	29 852	29 852	29 852	29 852	24 395	27 555	–
Non current liabilities											
Borrowing		–	12 196	17 506	–	–	–	–	–	–	–
Provisions		9 389	5 497	8 134	5 497	5 497	5 497	5 497	5 497	5 497	–
Total non current liabilities		9 389	17 693	25 640	5 497	5 497	5 497	5 497	5 497	5 497	–
TOTAL LIABILITIES		52 505	53 607	56 634	35 349	35 349	35 349	35 349	29 892	33 052	–
NET ASSETS	5	136 336	193 656	186 270	322 166	322 166	322 166	322 166	323 686	359 720	5 000
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		136 336	193 656	186 270	322 166	322 166	322 166	322 166	323 686	359 720	5 000
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	136 336	193 656	186 270	322 166	322 166	322 166	322 166	323 686	359 720	5 000

Table 12 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		17 653	15 586	30 345	23 394	23 662	23 662	23 662	24 798	26 285	-
Service charges		355	310		368	1 810	1 810	1 810	390	413	-
Other revenue		29 644	3 700		2 670	3 101	3 101	3 101	2 830	3 009	-
Government - operating	1	65 614	72 819	91 832	104 103	110 004	110 004	110 004	102 231	99 411	-
Government - capital	1	34 887	29 650	43 014	37 456	69 456	69 456	69 456	38 925	39 877	-
Interest		2 535	3 529	2 140	2 268	2 268	2 268	2 268	2 404	2 548	-
Dividends					-				-	-	-
Payments											
Suppliers and employees		(99 181)	(80 124)	(134 603)	(108 876)	(116 104)	(116 104)	(116 104)	(110 832)	(117 121)	-
Finance charges		(417)	(1 117)	(2 298)	(487)	(2 398)	(2 398)	(2 398)	(512)	(537)	-
Transfers and Grants	1			(2 124)	(2 251)	(2 251)	(2 251)	(2 251)	(2 387)	(2 530)	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		51 091	44 354	28 305	58 644	89 548	89 548	89 548	57 847	51 357	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors					5 000				5 500	6 000	-
Decrease (Increase) other non-current receivables									-	-	-
Decrease (Increase) in non-current investments									-	-	-
Payments											
Capital assets		(40 632)	(88 068)	(62 385)	(60 062)	(95 391)	(95 391)	(95 391)	(39 045)	(39 962)	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 632)	(88 068)	(62 385)	(55 062)	(95 391)	(95 391)	(95 391)	(33 545)	(33 962)	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		3 542	7 683						-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing				(1 893)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		3 542	7 683	(1 893)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	14 001	(36 031)	(35 973)	1 014	(8 411)	(8 411)	(8 411)	21 734	14 827	-
Cash/cash equivalents at the year end:	2	64 828	78 829	42 798	6 825				-	21 734	36 561
Cash/cash equivalents at the year end:	2	78 828	42 798	6 825	7 839	(8 411)	(8 411)	(8 411)	21 734	36 561	36 561

Table 13 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	78 828	42 798	6 825	7 839	(8 411)	(8 411)	(8 411)	21 734	36 561	36 561
Other current investments > 90 days		1	1	0	53 760	70 010	70 010	70 010	19 708	19 708	(31 561)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		78 829	42 798	6 825	61 599	61 599	61 599	61 599	41 442	56 269	5 000
<u>Application of cash and investments</u>											
Unspent conditional transfers		26 211	10 720	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(10 976)	6 810	(12 770)	2 730	(934)	(934)	(934)	7 862	13 940	-
Other provisions				7 247							
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		15 235	17 530	(5 522)	2 730	(934)	(934)	(934)	7 862	13 940	-
Surplus(shortfall)		63 594	25 268	12 347	58 869	62 533	62 533	62 533	33 580	42 329	5 000

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. .

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	40 806	88 153	82 066	74 937	116 191	116 191	59 386	-	-
Infrastructure - Road transport		-	-	28 057	20 598	20 598	20 598	39 656	-	-
Infrastructure - Electricity		-	-	7 600	10 200	35 059	35 059	10 500	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		24 993	83 031	11 182	19 574	18 074	18 074	-	-	-
Infrastructure		24 993	83 031	46 839	50 372	73 731	73 731	50 156	-	-
Community		-	675	26 932	14 233	27 128	27 128	4 400	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	15 813	4 447	8 296	8 756	13 756	13 756	4 830	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	1 576	1 576	1 576	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	6 125	-	-	-	-	-
Infrastructure - Road transport		-	-	-	6 125	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	6 125	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	28 057	26 723	20 598	20 598	39 656	-	-
Infrastructure - Electricity		-	-	7 600	10 200	35 059	35 059	10 500	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		24 993	83 031	11 182	19 574	18 074	18 074	-	-	-
Infrastructure		24 993	83 031	46 839	56 497	73 731	73 731	50 156	-	-
Community		-	675	26 932	14 233	27 128	27 128	4 400	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		15 813	4 447	8 296	8 756	13 756	13 756	4 830	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	1 576	1 576	1 576	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	40 806	88 153	82 066	81 062	116 191	116 191	59 386	-	-
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport				68 472	84 483					
Infrastructure - Electricity				6 467	16 667					
Infrastructure - Water				-	-					
Infrastructure - Sanitation				-	-					
Infrastructure - Other		54 366	79 640	41 380	39 955					
Infrastructure		54 366	79 640	116 319	141 105	-	-	-	-	-
Community		807	675	11 312	46 545					
Heritage assets		-	-	-	-					
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		43 548	96 006	67 403	76 310					
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	400	550	550	550	550	550	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	98 722	176 322	195 435	264 510	550	550	550	550	-
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>	3	5 117	9 594	12 230	12 963	12 963	12 963	12 592	13 525	14 303
<u>Repairs and Maintenance by Asset Class</u>		1 999	5 532	10 236	9 983	10 983	10 983	9 749	10 314	10 913
Infrastructure - Road transport		-	-	6 000	4 805	5 805	5 805	5 000	5 290	5 597
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	6 000	4 805	5 805	5 805	5 000	5 290	5 597
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1 999	5 532	4 236	5 178	5 178	5 178	4 749	5 024	5 316
TOTAL EXPENDITURE OTHER ITEMS		7 115	15 127	22 466	22 947	23 947	23 947	22 341	23 840	25 215
Renewal of Existing Assets as % of total capex		0,0%	0,0%	0,0%	7,6%	0,0%	0,0%	0,0%	0,0%	0,0%
Renewal of Existing Assets as % of deprecn"		0,0%	0,0%	0,0%	47,2%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M as a % of PPE		2,0%	3,1%	5,2%	3,8%	4,2%	4,2%	3,3%	3,2%	0,0%
Renewal and R&M as a % of PPE		2,0%	3,0%	5,0%	6,0%	1997,0%	1997,0%	1773,0%	1875,0%	0,0%

Table 15 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)	2	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Energy:</u>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
<u>Refuse:</u>										
Removed at least once a week		2 580	2 580	2 580	2 580	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		2 580	2 580	2 580	2 580	-	-	-	-	-
Removed less frequently than once a week		318	318	318	318	-	-	-	-	-
Using communal refuse dump		510	510	510	510	-	-	-	-	-
Using own refuse dump		20 766	20 767	20 767	20 767	-	-	-	-	-
Other rubbish disposal		333	333	333	333	-	-	-	-	-
No rubbish disposal		3 398	3 413	3 413	3 413	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		25 325	25 341	25 341	25 341	-	-	-	-	-
Total number of households	5	27 905	27 921	27 921	27 921	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	4 018	4 698	8 716	8 716	8 716	9 465	10 014
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		355	354	365	387	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		355	354	4 384	5 085	8 716	8 716	8 716	9 465	10 014

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2013) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipal IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2016/17 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2016/17 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Okhahlamba growth
- Policy priorities and strategic objectives
- Asset maintenance
- The approved 2015/16 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Budget Circulars has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2016/17 MTREF as tabled before Council on the 24 February 2016 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various stations.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 1 to 26 November 2015 and one from 25 February 2016 to 20 March 2016. The applicable dates and venues were published in all the local newspapers and on average attendance of 150 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and izimbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the process of finalisation of the 2016/17 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the usual issues and concerns raised as well as comments received during the consultation processes:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The Municipality is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- Issues were raised regarding the payment of bonuses to senior managers;
- Remuneration packages of council officials were criticized as being very high, relative their private sector counterparts within the Municipality ;
- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.
- The 2016/17 Division of Revenue Act (DORA) grant allocations were finalized and aligned to the gazette allocations; and
- Funding was allocated to address metering discrepancies and unmetered premises.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality response to these requirements.

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The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others;;
 - Provide waste removal;
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality ;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimizing effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by

the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipal ;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2014/15 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 16 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Property rates				15 183		27 566	28 762	25 012	25 012	26 286	27 864	2 935	
Property Rates penalties				2 470		3 189	1 823	1 823	1 823	1 932	2 044	2 162	
Service charges - refuse revenue						365	387	1 905	1 905	2 019	2 136	2 260	
Rental of facilities and equipment				355		99	105	87	87	111	118	125	
Interest earned - external investments				22		2 140	2 268	2 268	2 268	2 404	2 544	2 691	
Fines				2 535		354	375	375	375	100	106	112	
Licences and permits				151		509	396	397	397	49			
Agency services						591	482	637	637	641	680	720	
Transfers recognised - operational				68 240	74 172	90 039	104 103	110 004	110 004	104 065	110 308	116 927	
Other revenue				787	34 227	1 385	1 960	1 565	1 565	1 820	1 908	2 022	
Gains on disposal of PPE						228		354	354				
										142 860			
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	89 744	108 398	126 465	140 661	144 425	144 425	282 287	147 707	129 956

Table 17 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Employee related costs				27 712		41 012	43 361	45 496	45 496	48 790	52 206	5 586
Remuneration of councillors				6 783		7 340	7 765	8 087	8 087	8 653	9 258	9 906
Debt impairment				4 886		4 322	2 582	4 582	4 582	1 450	1 534	1 623
Depreciation & asset impairment				4 478		12 230	12 963	12 963	12 963	11 692	12 577	13 295
Finance charges				679		2 298	487	2 504	2 504	542	573	606
Other materials						1 325	1 539	1 739	1 739	1 631	1 729	1 833
Contracted services						3 545	3 364	3 700	3 700	3 566	3 780	4 007
Transfers and grants						7 237	7 671	6 483	6 483	5 504	5 834	68
Other expenditure				28 794	103 682	46 346	63 831	67 065	67 065	61 451	67 865	62 337
Loss on disposal of PPE						149						

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Employee related costs				27 712		41 012	43 361	45 496	45 496	48 790	52 206	5 586	
Remuneration of councillors				6 783		7 340	7 765	8 087	8 087	8 653	9 258	9 906	
Debt impairment				4 886		4 322	2 582	4 582	4 582	1 450	1 534	1 623	
Depreciation & asset impairment				4 478		12 230	12 963	12 963	12 963	11 692	12 577	13 295	
Finance charges				679		2 298	487	2 504	2 504	542	573	606	
Other materials						1 325	1 539	1 739	1 739	1 631	1 729	1 833	
Contracted services						3 545	3 364	3 700	3 700	3 566	3 780	4 007	
Transfers and grants						7 237	7 671	6 483	6 483	5 504	5 834	68	
Other expenditure				28 794	103 682	46 346	63 831	67 065	67 065	61 451	67 865	62 337	
Loss on disposal of PPE						149							
Allocations to other priorities													
Total Expenditure				1	73 333	103 682	125 803	143 565	152 619	152 619	143 279	155 357	99 261

Table 18 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:

Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 19 MBRR Table SA7 - Measurable performance objectives

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

Table 20 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,6%	1,1%	3,3%	2,3%	3,7%	3,7%	3,7%	2,1%	2,3%	0,3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1,9%	3,3%	11,5%	8,5%	14,7%	14,7%	14,7%	8,3%	7,9%	1,2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	52,8%	19,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2,1	2,0	1,5	3,1	3,1	3,1	3,1	2,5	2,6	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2,1	2,0	0,8	3,1	3,1	3,1	3,1	2,5	2,6	-
Liquidity Ratio	Monetary Assets/Current Liabilities	1,8	1,2	0,2	2,1	2,1	2,1	2,1	1,7	2,0	-
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		100,0%	62,1%	97,5%	92,9%	88,6%	88,6%	88,6%	101,5%	102,2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100,0%	62,1%	97,5%	76,7%	88,6%	88,6%	88,6%	83,3%	83,5%	0,0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12,3%	24,9%	32,1%	22,4%	21,7%	21,7%	21,7%	14,2%	11,0%	0,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		21,4%	58,9%	343,5%	348,1%	-324,4%	-324,4%	-324,4%	112,2%	75,4%	0,0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	29,7%	32,1%	32,4%	30,9%	31,5%	31,5%	31,5%	34,7%	35,1%	35,9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	80,4%	22,4%	38,1%	60,6%	33,7%	34,8%		40,2%	40,1%	40,6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2,1%	4,9%	8,1%	7,1%	7,6%	7,6%		7,0%	7,0%	7,0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5,9%	9,5%	11,5%	9,6%	10,7%	10,7%	10,7%	9,3%	9,4%	9,5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6,3	8,5	7,5	7,5	7,5	7,5	6,9	7,1	-	-
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	63,5%	110,0%	130,2%	101,1%	108,9%	108,9%	108,9%	65,7%	51,0%	0,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	18,8	7,4	1,1	1,2	(1,2)	(1,2)	(1,2)	2,8	5,2	4,0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Okhahlamba Local Municipality borrowing strategy is primarily informed by the affordability of debt repayments.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.3.1.3 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Okhahlamba business.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of rates, only registered indigents qualify for the free basic services.

2.4 Overview of budget related-policies

The Municipality budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (60 %) of annual billings. Cash flow is assumed to be 60% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.2 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.4.3 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2015 and shall remain in force until 30 June 2018. Year three is an across the board increase of 7 %

2.4.4 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.4.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 80% is achieved on operating expenditure and 90% on the capital programme for the 2016/17 MTREF of which performance has been factored into the cash flow budget.

2.5 Overview of budget funding

2.5.1 Operating revenue, Loan and DORA Allocation

Figure 1 Sources of capital revenue for the 2016/17 financial year

Borrowing still remains a significant funding source for the capital programme estimated R15 million to be raised for each of the respective financial years totalling 9 per cent of the total funding of the capital budget for each of the respective financial years of the MTREF. As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits and going forward borrowing limits will remain constant.

Table 21 MBRR Table SA 18 - Capital transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		64 794	72 669	83 162	103 027	103 027	103 027	102 924	108 883	115 209
Local Government Equitable Share		62 494	69 129	79 269	98 494	98 494	98 494	98 317	104 019	110 053
Finance Management		1 500	1 650	934	930	930	930	957	1 033	1 071
Municipal Systems Improvement		800	890	1 800	1 800	1 800	1 800	1 825	1 900	2 043
EPWP Incentive			1 000	1 159	1 803	1 803	1 803	1 825	1 931	2 043
Other transfers/grants [insert description]										
Provincial Government:		150	1 209	1 145	1 076	1 076	1 076	1 141	1 207	1 277
Sport and Recreation		150	150							
Health subsidy										
Provincialisation : Libraries And Archives			1 059	700	719	719	719	762	806	853
Subsidies : Libraries And Archives				146	191	191	191	202	214	227
Spatial planning & Museum				299	166	166	166	176	187	198
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	5 880	5 880	-	-	-
[insert description]						5 880	5 880			
Total Operating Transfers and Grants	5	64 944	73 878	84 307	104 103	109 983	109 983	104 065	110 090	116 487
<u>Capital Transfers and Grants</u>										
National Government:		25 094	24 650	34 149	37 456	37 456	37 456	38 925	40 074	41 818
Municipal Infrastructure Grant (MIG)		23 233	24 650	26 537	27 456	27 456	27 456	28 425	30 074	31 818
Integrated National Electrification Projects		1 861		7 612	10 000	10 000	10 000	10 500	10 000	10 000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	25 094	24 650	34 149	37 456	37 456	37 456	38 925	40 074	41 818
TOTAL RECEIPTS OF TRANSFERS & GRANTS		90 038	98 528	118 456	141 559	147 439	147 439	142 990	150 164	158 305

2.5.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 22 MBRR Table A7 - Budget cash flow statement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		17 653	15 586	30 345	23 394	23 662	23 662	23 662	24 798	26 285	-
Service charges		355	310		368	1 810	1 810	1 810	390	413	-
Other revenue		29 644	3 700		2 670	3 101	3 101	3 101	2 830	3 009	-
Government - operating	1	65 614	72 819	91 832	104 103	110 004	110 004	110 004	102 231	99 411	-
Government - capital	1	34 887	29 650	43 014	37 456	69 456	69 456	69 456	38 925	39 877	-
Interest		2 535	3 529	2 140	2 268	2 268	2 268	2 268	2 404	2 548	-
Dividends					-				-	-	-
Payments											
Suppliers and employees		(99 181)	(80 124)	(134 603)	(108 876)	(116 104)	(116 104)	(116 104)	(110 832)	(117 121)	-
Finance charges		(417)	(1 117)	(2 298)	(487)	(2 398)	(2 398)	(2 398)	(512)	(537)	-
Transfers and Grants	1			(2 124)	(2 251)	(2 251)	(2 251)	(2 251)	(2 387)	(2 530)	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		51 091	44 354	28 305	58 644	89 548	89 548	89 548	57 847	51 357	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors					5 000				5 500	6 000	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(40 632)	(88 068)	(62 385)	(60 062)	(95 391)	(95 391)	(95 391)	(39 045)	(39 962)	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(40 632)	(88 068)	(62 385)	(55 062)	(95 391)	(95 391)	(95 391)	(33 545)	(33 962)	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		3 542	7 683						-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing				(1 893)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		3 542	7 683	(1 893)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	(2 568)	-
NET INCREASE/ (DECREASE) IN CASH HELD		14 001	(36 031)	(35 973)	1 014	(8 411)	(8 411)	(8 411)	21 734	14 827	-
Cash/cash equivalents at the year begin:	2	64 828	78 829	42 798	6 825				-	21 734	36 561
Cash/cash equivalents at the year end:	2	78 828	42 798	6 825	7 839	(8 411)	(8 411)	(8 411)	21 734	36 561	36 561

2.5.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash.

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

2.5.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 23 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	78 828	42 798	6 825	7 839	(8 411)	(8 411)	(8 411)	21 734	36 561	36 561
Cash + investments at the yr end less applications - R'000	18(1)b	2	63 594	25 268	12 347	58 869	62 533	62 533	62 533	33 580	42 329	5 000
Cash year end/monthly employee/supplier payments	18(1)b	3	18,8	7,4	1,1	1,2	(1,2)	(1,2)	(1,2)	2,8	5,2	4,0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724	19 376	(24 677)
Service charge rev. % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	36,1%	15,7%	(6,5%)	(13,2%)	(6,0%)	(6,0%)	(0,8%)	(0,2%)	(6,3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	243,3%	65,3%	89,1%	78,2%	89,9%	89,9%	89,9%	83,0%	83,2%	0,0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	19,1%	20,9%	13,9%	8,3%	9,0%	9,0%	9,0%	9,1%	9,1%	9,6%
Capital payments % of capital expenditure	18(1)c:19	8	99,6%	99,9%	76,0%	55,3%	106,7%	102,2%	240,8%	64,8%	0,0%	0,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	52,8%	19,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	145,6%	44,4%	(22,7%)	0,0%	0,0%	0,0%	(36,5%)	(17,9%)	(100,0%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2,0%	3,1%	5,2%	3,8%	4,2%	4,2%	3,7%	3,3%	3,2%	0,0%
Asset renewal % of capital budget	20(1)(vi)	14	0,0%	0,0%	0,0%	5,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

2.5.4.1 Cash/cash equivalent position

The Municipality forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.5.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.5.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due

2.5.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2016/17 /MTREF the indicative outcome is a surplus of R7 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 6%). The result is intended to be an approximation of the real increase in

revenue. From the table above it can be seen that the percentage growth totals 6% for the respective financial year of the 2016/17 MTREF. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.5.4.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.5.4.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 4.1, 4.0 and 4.0 %over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.5.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.5.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 9 per cent of own funded capital

2.5.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.5.4.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipal policy of settling debtors' accounts within 30 days.

2.5.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.5.4.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

2.6 Expenditure on grants and reconciliations of unspent funds

Table 24 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		65 150	72 669	83 162	103 027	103 027	103 027	101 099	98 220	98 220
Local Government Equitable Share		62 494	69 129	79 269	98 494	98 494	98 494	98 317	95 287	95 287
Finance Management		1 667	1 650	934	930	930	930	957	1 033	1 033
Municipal Systems Improvement		988	890	1 800	1 800	1 800	1 800	1 825	1 900	1 900
EPWP Incentive			1 000	1 159	1 803	1 803	1 803			
Other transfers/grants [insert description]										
Provincial Government:		145	-	1 145	1 076	1 076	1 076	1 132	1 191	1 191
Sport and Recreation										0
Health subsidy										0
Provincialisaiton : Libraries And Archives				700	719	719	719	756	795	795
Subsidies : Libraries And Archives				146	191	191	191	201	212	212
Spatial planning & Museum		145		299	166	166	166	175	184	184
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants		65 294	72 669	84 307	104 103	104 103	104 103	102 231	99 411	99 411
Capital expenditure of Transfers and Grants										
National Government:		-	-	32 537	37 456	37 456	37 456	38 925	39 877	11 793
Municipal Infrastructure Grant (MIG)				26 537	27 456	27 456	27 456	28 425	29 877	1 793
				6 000	10 000	10 000	10 000	10 500	10 000	10 000
										-
										-
Integrated National Electrification Projects										-
Provincial Government:		-	-	8 865	-	-	-	-	-	-
Smalltown Relieve & Corridor Development				8 865						
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	-	41 402	37 456	37 456	37 456	38 925	39 877	11 793
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		65 294	72 669	125 709	141 559	141 559	141 559	141 156	139 288	111 204

Table 25 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts			1 000							
Conditions met - transferred to revenue		-	1 000	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year			11 721							
Current year receipts			444							
Conditions met - transferred to revenue		-	11 639	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			526							
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	12 639	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	526	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			5 432							
Current year receipts										
Conditions met - transferred to revenue		-	1 803	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			3 629							
Provincial Government:										
Balance unspent at beginning of the year			9 058							
Current year receipts			5 000							
Conditions met - transferred to revenue		-	(8 422)	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			22 480							
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	(6 619)	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	26 109	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	6 020	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	26 635	-	-	-	-	-	-	-

2.7 Councilors and employee benefits

Table 26 MBRR SA22 - Summary of councilors and staff benefits

Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		4 762		5 033	5 033	5 033	5 285	5 981	6 399 670,00	6 847 646,90
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance		1 597		1 702	1 888	1 888	1 982	2 081	2 226 668,93	2 382 535,76
Cellphone Allowance		321		370	370	370	388	63	66 900,04	71 583,04
Housing Allowances									-	-
Other benefits and allowances		103		49	49	365	365	532	568 890,11	608 712,42
Sub Total - Councillors		6 783	-	7 154	7 340	7 656	8 020	8 656	9 262	9 910
% increase	4		(100,0%)	-	2,6%	4,3%	4,8%	7,9%	7,0%	7,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 666		2 196	2 196	2 196	2 980	3 129	3 285	3 515 336,27
Pension and UIF Contributions				127	127	127	47	49	52	55 137,10
Medical Aid Contributions				17	17	17	25	26	28	29 627,23
Overtime										-
Performance Bonus				325	325	325	568	596	626	670 105,69
Motor Vehicle Allowance	3	443		548	548	548	811	852	985	1 053 592,62
Cellphone Allowance	3									-
Housing Allowances	3	263		288	288	288	321	337	354	378 676,21
Other benefits and allowances	3	28		37	37	37				-
Payments in lieu of leave		5								-
Long service awards										-
Post-retirement benefit obligations	6									-
Sub Total - Senior Managers of Municipality		2 404	-	3 539	3 539	3 539	4 752	4 990	5 329	5 702
% increase	4		(100,0%)	-	-	-	34,3%	5,0%	6,8%	7,0%
Other Municipal Staff										
Basic Salaries and Wages		16 027		25 477	25 885					
Pension and UIF Contributions		3 333		4 726	4 904					
Medical Aid Contributions		651		980	1 022					
Overtime		924		969	1 033					
Performance Bonus										
Motor Vehicle Allowance	3	1 095		1 583	1 617					
Cellphone Allowance	3									
Housing Allowances	3			66	57					
Other benefits and allowances	3	2 749		2 467	2 830					
Payments in lieu of leave		408		909	924					
Long service awards		121		204	217					
Post-retirement benefit obligations	6			91	120					
Sub Total - Other Municipal Staff		25 308	-	37 474	38 609	-	-	-	-	-
% increase	4		(100,0%)	-	3,0%	(100,0%)	-	-	-	-
Total Parent Municipality		34 495	-	48 166	49 487	11 194	12 772	13 646	14 592	15 613
			(100,0%)	-	2,7%	(77,4%)	14,1%	6,8%	6,9%	7,0%
Board Members of Entities										
Basic Salaries and Wages		13 891	16 027		24 367	25 477	25 477	28 865	29 788	31 388
Pension and UIF Contributions		2 038	3 333		4 156	4 726	4 726	4 951	5 154	5 430
Medical Aid Contributions		573	651		848	980	980	1 047	1 029	1 084
Overtime		524	924		969	969	969	1 033	1 090	1 148
Performance Bonus										
Motor Vehicle Allowance	3	893	1 095		1 945	1 583	1 583	2 429	2 498	2 633
Cellphone Allowance	3									
Housing Allowances	3				6	66	66	378	399	420

Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councilors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		615 032		24 468			639 500
Chief Whip								-
Executive Mayor			768 790		24 468			793 258
Deputy Executive Mayor			615 032		24 468			639 500
Executive Committee			1 221 680		46 128			1 267 808
Total for all other councillors			4 774 902		538 033			5 312 935
Total Councillors	8	-	7 995 435	-	657 565			8 653 000
Senior Managers of the Municipality	5							
Municipal Manager (MM)			821 476		154 080	128 495		1 104 051
Chief Finance Officer			549 794		284 483	109 887		944 164
Director Social			564 636		269 640	109 887		944 163
Director Technical			479 378		354 899	109 887		944 164
Director Corporate			564 636		141 240	109 887		815 763
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	2 979 920	-	1 204 342	568 043		4 752 305
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	10 975 355	-	1 861 907	568 043		13 405 305

(Note that National Treasury has deliberately left the above table blank so as not to appear to be setting benchmarks for acceptable remuneration levels for the relevant positions. Municipalities MUST, however, provide the required information as applicable to their municipalities)

Table 28 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	28		28	28		28	28		28
Board Members of municipal entities	5									
Municipal employees										
Municipal Manager and Senior Managers	3	4		4	5		5	5	–	5
Other Managers	7	5	4	1	22	20	2	22	20	2
Professionals		165	130	35	282	166	116	276	162	114
Finance		23	17	6	29	18	11	29	19	10
Spatial/town planning		1	1	–						
Information Technology					6	5	1			
Roads										
Electricity										
Water										
Sanitation										
Refuse		83	73	10	51	49	2	51	49	2
Other		58	39	19	196	94	102	196	94	102
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	202	134	68	337	186	151	331	182	149
% increase					66,8%	38,8%	122,1%	(1,8%)	(2,2%)	(1,3%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.8 Monthly targets for revenue, expenditure and cash flow

Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue By Source																
Property rates		2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	26 286	27 811	29 424
Property rates - penalties & collection charges		161	161	161	161	161	161	161	161	161	161	161	161	1 932	2 044	216
Service charges - electricity revenue													-	-	-	-
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue		168	168	168	168	168	168	168	168	168	168	168	168	2 019	2 136	2 260
Service charges - other													-	-	-	-
Rental of facilities and equipment		37	37	37	37	37	37	37	37	37	37	37	(300)	111	95	101
Interest earned - external investments		170	170	170	170	170	170	170	170	170	170	170	534	2 404	2 544	2 691
Interest earned - outstanding debtors													-	-	-	-
Dividends received													-	-	-	-
Fines													134	134	142	151
Licences and permits													421	421	445	470
Agency services		53	53	53	53	53	53	53	53	53	53	53	(390)	198	209	221
Transfers recognised - operational		41 626				31 220				31 220			(1)	104 065	110 101	116 487
Other revenue													2 672	2 672	2 829	2 995
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		44 407	2 781	2 781	2 781	34 000	2 781	2 781	2 781	34 001	2 781	2 781	5 590	140 243	148 356	155 017
Expenditure By Type																
Employee related costs		4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 053	4 052	48 630	52 024	55 631
Remuneration of councillors		7 210	7 210	7 210	7 210	7 210	7 210	7 210	7 210	7 210	7 210	7 210	(70 658)	8 653	9 259	9 907
Debt impairment		228	228	228	228	228	228	228	228	228	228	228	228	2 737	2 901	3 075
Depreciation & asset impairment		1 049	1 049	1 049	1 049	1 049	1 049	1 049	1 049	1 049	1 049	1 049	1 050	12 592	13 525	14 303
Finance charges		36	36	36	36	36	36	36	36	36	36	36	36	429	454	481
Bulk purchases													-	-	-	-
Other materials		83	83	83	83	83	83	83	83	83	83	83	83	1 000	1 058	1 119
Contracted services		270	270	270	270	270	270	270	270	270	270	270	10 515	13 489	4 156	4 403
Transfers and grants		678	678	678	678	678	678	678	678	678	678	678	677	8 132	8 620	9 073
Other expenditure													43 781	43 781	36 983	81 702
Loss on disposal of PPE													-	-	-	-
Total Expenditure		13 607	13 607	13 607	13 607	13 607	13 607	13 607	13 607	13 607	13 607	13 607	(10 235)	139 444	128 980	179 694
Surplus/(Deficit)		30 799	(10 827)	(10 827)	(10 827)	20 393	(10 827)	(10 827)	(10 827)	20 393	(10 827)	(10 827)	15 825	799	19 376	(24 677)
Transfers recognised - capital													38 925	38 925	-	-
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		30 799	(10 827)	(10 827)	(10 827)	20 393	(10 827)	(10 827)	(10 827)	20 393	(10 827)	(10 827)	54 750	39 724	19 376	(24 677)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	30 799	(10 827)	(10 827)	(10 827)	20 393	(10 827)	(10 827)	(10 827)	20 393	(10 827)	(10 827)	54 750	39 724	19 376	(24 677)

Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue by Vote																
Vote 1 - Council		39 495				39 495				19 747			(0)	98 737	104 464	110 523
Vote 2 - Finance		2 913	2 913	2 913	2 913	2 913	2 913	2 913	2 913	2 913	2 913	2 913	2 913	34 958	36 986	58 581
Vote 3 - Corporate		4	4	4	4	4	4	4	4	4	4	4	4	45	48	50
Vote 4 - Library		89	89	89	89	89	89	89	89	89	89	89	89	1 066	1 128	1 194
Vote 5 - Museum		15	15	15	15	15	15	15	15	15	15	15	15	176	187	198
Vote 6 - Traffic		26	26	26	26	26	26	26	26	26	26	26	25	307	325	344
Vote 7 - Technical		3 420	3 420	3 420	3 420	3 420	3 420	3 420	3 420	3 420	3 420	3 420	3 420	41 044	42 316	44 191
Vote 8 - Tourism		12	12	12	12	12	12	12	12	12	12	12	12	145	153	162
Vote 9 - Refuse Removal		168	168	168	168	168	168	168	168	168	168	168	168	2 019	2 136	2 260
Vote 10 - Municipal Manager													-	-	-	-
Vote 11 - Social Services													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Revenue by Vote		46 142	6 647	6 647	6 647	46 142	6 647	6 647	6 647	26 394	6 647	6 647	6 646	178 497	187 743	217 502
Expenditure by Vote to be appropriated																
Vote 1 - Council		2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	2 354	28 252	29 809	31 459
Vote 2 - Finance		1 757	1 757	1 757	1 757	1 757	1 757	1 757	1 757	1 757	1 757	1 757	697	20 030	21 275	22 597
Vote 3 - Corporate		1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	22 791	24 244	25 790
Vote 4 - Library		111	111	111	111	111	111	111	111	111	111	111	111	1 330	1 420	1 517
Vote 5 - Museum		43	43	43	43	43	43	43	43	43	43	43	43	518	637	680
Vote 6 - Traffic		346	346	346	346	346	346	346	346	346	346	346	346	4 146	4 423	4 718
Vote 7 - Technical		2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	2 955	35 459	37 709	40 104
Vote 8 - Tourism		465	465	465	465	465	465	465	465	465	465	465	465	5 580	5 913	6 266
Vote 9 - Refuse Removal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Municipal Manager		630	630	630	630	630	630	630	630	630	630	630	630	7 562	8 061	8 594
Vote 11 - Social Services													16 432	16 432	17 461	18 554
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Total Expenditure by Vote		10 561	10 561	10 561	10 561	10 561	10 561	10 561	10 561	10 561	10 561	10 561	25 933	142 099	150 951	160 279
Surplus/(Deficit) before assoc.																
		35 581	(3 914)	(3 914)	(3 914)	35 581	(3 914)	(3 914)	(3 914)	15 834	(3 914)	(3 914)	(19 287)	36 399	36 792	57 223
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	35 581	(3 914)	(3 914)	(3 914)	35 581	(3 914)	(3 914)	(3 914)	15 834	(3 914)	(3 914)	(19 287)	36 399	36 792	57 223

Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Revenue - Standard																
<i>Governance and administration</i>		41 417	3 007	3 007	3 007	4 982	3 007	40 527	3 007	22 755	3 007	3 007	3 007	133 740	141 497	169 154
Executive and council		39 495				1 975		37 520		19 747			0	98 737	104 464	110 523
Budget and treasury office		1 918	3 004	3 004	3 004	3 004	3 004	3 004	3 004	3 004	3 004	3 004	3 004	34 958	36 986	58 581
Corporate services		4	4	4	4	4	4	4	4	4	4	4	4	45	48	50
<i>Community and public safety</i>		129	129	129	129	129	129	129	129	129	129	129	130	1 550	1 640	1 735
Community and social services		129	129	129	129	129	129	129	129	129	129	129	130	1 550	1 640	1 735
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		16 418	-	-	-	-	-	-	-	24 626	-	-	0	41 044	42 316	44 191
Planning and development		16 418								24 626			0	41 044	42 316	44 191
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		198	198	198	198	198	198	198	198	198	198	-	37	2 019	2 136	2 260
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management		198	198	198	198	198	198	198	198	198	198	-	37	2 019	2 136	2 260
<i>Other</i>													145	145	153	162
Total Revenue - Standard		58 162	3 335	3 335	3 335	5 310	3 335	40 855	3 335	47 708	3 335	3 137	3 319	178 498	187 743	217 502
Expenditure - Standard																
<i>Governance and administration</i>		6 635	6 635	6 635	6 635	6 635	6 635	6 635	6 635	6 635	6 635	6 635	6 635	79 621	84 617	89 930
Executive and council		3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	36 800	39 099	41 543
Budget and treasury office		1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	1 669	20 030	21 275	22 597
Corporate services		1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	1 899	22 791	24 244	25 790
<i>Community and public safety</i>		-	3 325	-	38	7 625	-	5 719	-	5 719	-	-	0	22 426	23 940	25 469
Community and social services			3 325		38	7 625		5 719		5 719			0	22 426	23 940	25 469
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		9 092	-	-	13 184	-	-	-	13 184	-	-	-	(0)	35 459	37 709	40 104
Planning and development		9 092			13 184				13 184				(0)	35 459	37 709	40 104
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>		465	465	465	465	465	465	465	465	465	465	465	465	5 580	5 913	6 266
Total Expenditure - Standard		16 192	10 425	7 100	20 322	14 725	7 100	12 819	20 284	12 819	7 100	7 100	7 100	143 085	152 179	161 769
Surplus/(Deficit) before assoc.		41 970	(7 090)	(3 765)	(16 987)	(9 416)	(3 765)	28 036	(16 949)	34 889	(3 765)	(3 964)	(3 781)	35 413	35 563	55 733
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	41 970	(7 090)	(3 765)	(16 987)	(9 416)	(3 765)	28 036	(16 949)	34 889	(3 765)	(3 964)	(3 781)	35 413	35 563	55 733

Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Council													-	-	-	-
Vote 2 - Finance													-	-	-	-
Vote 3 - Corporate													-	-	-	-
Vote 4 - Library													-	-	-	-
Vote 5 - Museum													-	-	-	-
Vote 6 - Traffic													-	-	-	-
Vote 7 - Technical													-	-	-	-
Vote 8 - Tourism													-	-	-	-
Vote 9 - Refuse Removal													-	-	-	-
Vote 10 - Municipal Manager													-	-	-	-
Vote 11 - Social Services													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Council						350							-	350	-	-
Vote 2 - Finance			317		22				162				(0)	500	-	-
Vote 3 - Corporate		158	158	158	158	158	158	158	158	158	158	158	158	1 900	-	-
Vote 4 - Library													-	-	-	-
Vote 5 - Museum													-	-	-	-
Vote 6 - Traffic													-	-	-	-
Vote 7 - Technical		4 260											46 865	51 125	-	-
Vote 8 - Tourism													-	-	-	-
Vote 9 - Refuse Removal													-	-	-	-
Vote 10 - Municipal Manager													-	-	-	-
Vote 11 - Social Services		351	3 600		64			1 562		600		223	(0)	6 400	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	4 770	4 075	158	244	508	158	1 720	320	758	158	381	47 023	60 275	-	-
Total Capital Expenditure	2	4 770	4 075	158	244	508	158	1 720	320	758	158	381	47 023	60 275	-	-

Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		158	158	158	508	158	158	158	158	158	158	658	158	2 750	85	-
Executive and council					350								-	350	-	-
Budget and treasury office		-										500	-	500	-	-
Corporate services		158	158	158	158	158	158	158	158	158	158	158	158	1 900	85	-
<i>Community and public safety</i>		351	3 600	-	64	-	-	1 562	-	600	-	223	(0)	6 400	-	-
Community and social services		351	3 600		64			1 562		600		223	(0)	6 400	-	-
Sport and recreation													-	-	-	-
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		5 113	-	2 300	-	7 000	1 620	19 552	1 097	2 169	2 700	-	9 574	51 125	39 877	-
Planning and development		5 113		2 300		7 000	1 620	19 552	1 097	2 169	2 700		9 574	51 125	39 877	-
Road transport													-	-	-	-
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Capital Expenditure - Standard	2	5 622	3 758	2 458	572	7 158	1 778	21 273	1 255	2 928	2 858	881	9 732	60 275	39 962	-
Funded by:																
National Government													38 925	38 925	39 877	-
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-	38 925	38 925	39 877	-
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds													21 350	21 350	85	-
Total Capital Funding		-	-	-	-	-	-	-	-	-	-	-	60 275	60 275	39 962	-

Table 34 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand															
Cash Receipts By Source													1		
Property rates	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	2 191	(1 230)	22 866	24 238	
Property rates - penalties & collection charges	161	161	161	161	161	161	161	161	161	161	161	161	1 932	2 048	
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-			
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-			
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-			
Service charges - refuse revenue	168	168	168	168	168	168	168	168	168	168	168	(1 461)	390	413	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-			
Rental of facilities and equipment	9	9	9	9	9	9	9	9	9	9	9	(46)	56	59	
Interest earned - external investments	200	200	200	200	200	200	200	200	200	200	200	200	2 404	2 548	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-			
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-			
Fines	12	12	12	12	12	12	12	12	12	12	12	246	378	400	
Licences and permits	35	35	35	35	35	35	35	35	35	35	35	10	399	423	
Agency services	16	16	16	16	16	16	16	16	16	16	16	329	511	541	
Transfer receipts - operational	41 626			31 219					31 219			(1 834)	102 231	99 411	
Other revenue												1 487	1 487	1 585	
Cash Receipts by Source	44 419	2 793	2 793	34 013	2 793	2 793	2 793	2 793	34 013	2 793	2 793	(2 137)	132 652	131 667	-
Other Cash Flows by Source															
Transfer receipts - capital												38 925	38 925	39 877	
Contributions recognised - capital & Contributed assets												-			
Proceeds on disposal of PPE												-			
Short term loans												-			
Borrowing long term/refinancing												-			
Increase (decrease) in consumer deposits												-			
Decrease (Increase) in non-current debtors												5 500	5 500	6 000	
Decrease (Increase) other non-current receivables												-			
Decrease (Increase) in non-current investments												-			
Total Cash Receipts by Source	44 419	2 793	2 793	34 013	2 793	2 793	2 793	2 793	34 013	2 793	2 793	42 288	177 077	177 544	-
Cash Payments by Type															
Employee related costs	4 066	4 066	4 066	4 066	4 066	4 066	4 066	4 066	4 066	4 066	4 066	801	45 525	47 972	
Remuneration of councillors	721	721	721	721	721	721	721	721	721	721	721	261	8 192	8 627	
Finance charges	-	-	-	-	-	-	-	-	-	-	-	512	512	537	
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-			
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-			
Other materials	867	867	867	867	867	867	867	867	867	867	867	(7 902)	1 632	1 730	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	3 566	3 566	3 780	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-			
Transfers and grants - other	199	199	199	199	199	199	199	199	199	199	199	-	2 387	2 530	
Other expenditure	5 465	5 465	5 465	5 465	5 465	5 465	5 465	5 465	5 465	5 465	5 465	(8 201)	51 917	55 013	
Cash Payments by Type	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	(10 766)	113 730	120 188	-
Other Cash Flows/Payments by Type															
Capital assets												39 045	39 045	39 962	
Repayment of borrowing												2 568	2 568	2 568	
Other Cash Flows/Payments												-			
Total Cash Payments by Type	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	11 318	30 846	155 343	162 717	-
NET INCREASE/(DECREASE) IN CASH HELD	33 101	(8 525)	(8 525)	22 695	(8 525)	(8 525)	(8 525)	(8 525)	22 695	(8 525)	(8 525)	11 442	21 734	14 827	-

2.9 Annual budgets and SDBIPs – internal departments

2.10 Contracts having future budgetary implications

In terms of the Okhahlamba Local Municipality Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.11 Capital expenditure details

The following three tables present details of the Municipal capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 35 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	24 993	83 031	46 839	50 372	73 731	73 731	50 156	-	-	
Infrastructure - Road transport		-	-	28 057	20 598	20 598	20 598	39 656	-	-	
Roads, Pavements & Bridges				28 057	20 598	20 598	20 598	39 656			
Storm water											
Infrastructure - Electricity		-	-	7 600	10 200	35 059	35 059	10 500	-	-	
Generation											
Transmission & Reticulation				7 500	10 000	35 059	35 059	10 500			
Street Lighting				100	200						
Infrastructure - Water		-	-	-	-	-	-	-	-	-	
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation											
Sewerage purification											
Infrastructure - Other		24 993	83 031	11 182	19 574	18 074	18 074	-	-	-	
Waste Management											
Transportation											
Gas											
Other		3	24 993	83 031	11 182	19 574	18 074	18 074			
Community			-	675	26 932	14 233	27 128	27 128	4 400	-	-
Parks & gardens		7									
Sportsfields & stadia							5 000	5 000			
Swimming pools											
Community halls					10 105	2 733	2 733	2 733			
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries	8										
Cemeteries				750	500	500	500	1 000			
Social rental housing											
Other			675	16 077	11 000	18 895	18 895	3 400			
Heritage assets	9	-	-	-	-	-	-	-	-	-	
Buildings											
Other											
Investment properties	10	-	-	-	-	-	-	-	-	-	
Housing development											
Other											
Other assets	10	15 813	4 447	8 296	8 756	13 756	13 756	4 830	-	-	
General vehicles			3 558	496	230	230	230	350			
Specialised vehicles		-	-	-	6 500	6 500	6 500	-	-	-	
Plant & equipment		470	889					4 400			
Computers - hardware/equipment		422									
Furniture and other office equipment		760		200	600	600	600	80			
Abattoirs											
Markets											
Civic Land and Buildings				7 500		5 000	5 000				
Other Buildings											
Other Land		500									
Surplus Assets - (Investment or Inventory)											
Other		13 662		100	1 426	1 426	1 426				
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	1 576	1 576	1 576	-	-	-	
Computers - software & programming					1 576	1 576	1 576				
Other (list sub-class)											
Total Capital Expenditure on new assets	1	40 806	88 153	82 066	74 937	116 191	116 191	59 386	-	-	

Specialised vehicles		-	-	-	6 500	6 500	6 500	-	-	-
Refuse										
Fire					2 500	2 500	2 500			

Table 36 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure	2	-	-	-	6 125	-	-	-	-	-
Infrastructure - Road transport		-	-	-	6 125	-	-	-	-	-
Roads, Pavements & Bridges					6 125	-	-			
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
Community		7	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets	9	-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets	10	-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Inv estment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - softw are & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing	1	-	-	-	6 125	-	-	-	-	-

[illegible]

Table 37 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand	1										
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	2	–	–	6 000	4 805	5 805	5 805	5 000	5 290	5 597	
Infrastructure - Road transport		–	–	6 000	4 805	5 805	5 805	5 000	5 290	5 597	
Roads, Pavements & Bridges				6 000	4 805	5 805	5 805	5 000	5 290	5 597	
Storm water											
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–	
Generation											
Transmission & Reticulation											
Street Lighting											
Infrastructure - Water		–	–	–	–	–	–	–	–	–	
Dams & Reservoirs											
Water purification											
Reticulation											
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–	
Reticulation											
Sewerage purification											
Infrastructure - Other		–	–	–	–	–	–	–	–	–	
Waste Management											
Transportation											
Gas											
Other											
Community		3	–	–	–	–	–	–	–	–	–
Parks & gardens		7									
Sportsfields & stadia											
Swimming pools											
Community halls											
Libraries											
Recreational facilities											
Fire, safety & emergency											
Security and policing											
Buses											
Clinics											
Museums & Art Galleries	8										
Cemeteries											
Social rental housing											
Other											
Heritage assets	9	–	–	–	–	–	–	–	–	–	
Buildings											
Other											
Investment properties	10	–	–	–	–	–	–	–	–	–	
Housing development											
Other											
Other assets	10	1 999	5 532	4 236	5 178	5 178	5 178	4 749	5 024	5 316	
General vehicles				1 649	200	700	700	212	224	237	
Specialised vehicles		–	–	–	1 616	1 616	1 616	1 623	1 717	1 817	
Plant & equipment					950	450	450	477	505	534	
Computers - hardware/equipment											
Furniture and other office equipment				83	212	212	212	225	238	252	
Abattoirs											
Markets											
Civic Land and Buildings				1 500	2 000	2 000	2 000	2 000	2 116	2 239	
Other Buildings											
Other Land											
Surplus Assets - (Investment or Inventory)											
Other		1 999	5 532	1 004	200	200	200	212	224	237	
Agricultural assets	10	–	–	–	–	–	–	–	–	–	
List sub-class											
Biological assets	10	–	–	–	–	–	–	–	–	–	
List sub-class											
Intangibles	10	–	–	–	–	–	–	–	–	–	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	1 999	5 532	10 236	9 983	10 983	10 983	9 749	10 314	10 919	

<u>Specialised vehicles</u>		–	–	–	1 616	1 616	1 616	1 623	1 717	1 817
Refuse					1 616	1 616	1 616	1 623	1 717	1 817

Table 38 MBRR SA35 - Future financial implications of the capital budget

Vote Description R thousand	Ref	2016/17 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
Capital expenditure	1							
Vote 1 - Council		350	-	-				
Vote 2 - Finance		500	-	-				
Vote 3 - Corporate		1 900	-	-				
Vote 4 - Library		-	-	-				
Vote 5 - Museum		-	-	-				
Vote 6 - Traffic		-	-	-				
Vote 7 - Technical		51 125	-	-				
Vote 8 - Tourism		-	-	-				
Vote 9 - Refuse Removal		-	-	-				
Vote 10 - Municipal Manager		-	-	-				
Vote 11 - Social Services		6 400	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		60 275	-	-	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Council								
Vote 2 - Finance								
Vote 3 - Corporate								
Vote 4 - Library								
Vote 5 - Museum								
Vote 6 - Traffic								
Vote 7 - Technical								
Vote 8 - Tourism								
Vote 9 - Refuse Removal								
Vote 10 - Municipal Manager								
Vote 11 - Social Services								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		60 275	-	-	-	-	-	-

Table 39 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project Information	
										Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Bergville Tarred Roads					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges				4 125	10 000				New
Okhomba Vehicle Bridge					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					-				New
Ogade Pedestrian Bridge					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					-				New
Mnceleni Gravel Road					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2 500				New
Ngunjini Community Hall					Yes	Community	Community halls					2 733				New
Nxumalo Gravel Road					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					2 500				New
Mboromo Gravel Road					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					4 622				New
Nkwazini Gravel Road					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					3 000				New
Masenga Gravel Road					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges					1 776				New
Electrification Projects					Yes						6 434	10 500	10 500	10 000		New
Total Capex					Yes					88 153	64 384	-	28 545	29 962		
Vehicle testing, licensing and disaster					Yes	Community	Other				4 000	-			12	
Khethani Market Stalls					Yes	Community	Markets					2 000				
sports complex					Yes	Community	Other					15 000			12	
Fresh produce market					Yes	Community	Markets					-				
Foot bridges					Yes	Infrastructure - Road transport	Roads, Pavements & Bridges				3 124	-				
Parent Capital expenditure	1											54 631	39 045	39 962		
Entities: <i>List all capital projects grouped by Entity</i>																
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										88 153	82 066	54 631	39 045	39 962		

Table 40 MBRR SA37 - Projects delayed from previous financial year

[illegible]

2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipal website.
2. Internship programme
Okhahlamba is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Finance Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalized after approval of the 2016/17 MTREF in May 2016 directly aligned and informed by the 2016/17MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 19 March 2016. The ratios as prescribed in the Regulations have been complied with.
9. MSCOA Implications

The municipality is expected to be mSCOA compliant by 1st July 2017 as required mSCOA Regulations, taking into consideration that the municipality is no a pilot municipality a Budget has been set aside to ensure compliance by the said date.

2.13 Other supporting documents

Table 41 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		15 183	22 152	31 584	33 460	33 728	33 728	33 728	35 751	37 825	40 019
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)				4 018	4 698	8 716	8 716	8 716	9 465	10 014	10 595
Net Property Rates		15 183	22 152	27 566	28 762	25 012	25 012	25 012	26 286	27 811	29 424
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		355	354	365	387						
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6										
Total refuse removal revenue		355	354	365	387	1 905	1 905	1 905	2 019	2 136	2 260
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		355	354	365	387	1 905	1 905	1 905	2 019	2 136	2 260
Other Revenue by source											
Fuel Levy											
Other Revenue		787	3 309	1 385					1 056	1 120	1 187
Interest on Current Account					1 223	1 223	1 223	1 223	1 296	1 371	1 451
Fees Tenders					243	243	243	243	258	273	289
Fees Photocopiers					11	59	59	59	62	66	70
Tax rank permit						4	4	4			
Fine Prio year						32	32	32			
Fees Business licenses						4	4	4			
Total 'Other' Revenue	3	787	3 309	1 385	1 476	1 565	1 565	1 565	2 672	2 829	2 995
EXPENDITURE ITEMS:	1										
Employee related costs	2										
Basic Salaries and Wages		18 432	23 288	27 999	28 865	29 585	29 585	29 585	31 780	34 005	36 385
Pension and UIF Contributions		2 854	1 301	4 853	4 951	5 393	5 393	5 393	5 797	6 193	6 718
Medical Aid Contributions		65	829	998	1 047	1 144	1 144	1 144	1 197	1 281	1 370
Overtime		924	1 150	969	1 033	1 232	1 232	1 232	1 322	1 414	1 513
Performance Bonus		1 265	1 807	325	514	514	514	514	660	707	756
Motor Vehicle Allowance		1 095	1 206	2 132	2 429	2 924	2 924	2 924	2 973	3 181	3 404
Cellphone Allowance				-	-	-	-	-			
Housing Allowances				354	378	407	407	407	436	466	499
Other benefits and allowances		2 549	5 102	2 178	2 884	2 909	2 909	2 909	3 136	3 356	3 465
Payments in lieu of leave		408	1 504	909	924	1 052	1 052	1 052	1 036	1 109	1 186
Long service awards		121	103	204	217	217	217	217	163	174	187
Post-retirement benefit obligations				91	120	120	120	120	130	139	148
sub-total	5	27 712	36 291	41 012	43 361	45 496	45 496	45 496	48 630	52 024	55 631
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	27 712	36 291	41 012	43 361	45 496	45 496	45 496	48 630	52 024	55 631
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		4 001	9 468	10 106	10 712	10 712	10 712	10 712	11 692	12 573	13 295
Lease amortisation											
Capital asset impairment		1 115	126	2 124	2 251	2 251	2 251	2 251	900	952	1 007
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	10	5 117	9 594	12 230	12 963	12 963	12 963	12 963	12 592	13 525	14 303
Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		655	1 134	2 124	2 251	2 251	2 251	2 251	2 387	2 530	2 618
Non-cash transfers and grants		9	2	5 113	5 420	4 231	4 231	4 231	5 745	6 090	6 455
Total transfers and grants	1	663	1 136	7 237	7 671	6 483	6 483	6 483	8 132	8 620	9 073
Contracted services											
Rental : Office Machines			821	1 432	900	900	900	900	954	1 010	1 068
Security Services			1 172	2 112	2 251	2 800	2 800	2 800	2 968	3 146	3 335
sector plans									2 347		
Co opers									5 630		
agricultural plans									1 590		

Table 42 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Ref	Vote 1 - Council	Vote 2 - Finance	Vote 3 - Corporate	Vote 4 - Library	Vote 5 - Museum	Vote 6 - Traffic	Vote 7 - Technical	Vote 8 - Tourism	Vote 9 - Refuse Removal	Vote 10 - Municipal Manager	Vote 11 - Social Services	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates			26 286														26 286
Property rates - penalties & collection charges			1 932														1 932
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue										2 019							2 019
Service charges - other																	-
Rental of facilities and equipment				45					66								111
Interest earned - external investments			2 404														2 404
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines					4		139										143
Licences and permits	45				36		4	295	45								425
Agency services							164		34								198
Other revenue	375		1 554		62												1 991
Transfers recognised - operational	98 317		2 782		965	176		1 825									104 065
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		98 737	34 958	45	1 066	176	307	2 120	145	2 019	-	-	-	-	-	-	139 573
Expenditure By Type																	
Employee related costs			6 925	10 916	1 109	514	3 026	16 157	787		5 094	4 262					48 791
Remuneration of councillors	8 653																8 653
Debt impairment			1 450														1 450
Depreciation & asset impairment	1 905		1 866	1 675	110	5	47	4 500	68		114						10 290
Finance charges			112					429									542
Bulk purchases																	-
Other materials				300				1 000									1 300
Contracted services				954								2 968					3 922
Transfers and grants												2 387					2 387
Other expenditure	18 513		9 676	8 946	111		1 073	13 372	4 724		2 354	6 816					65 584
Loss on disposal of PPE	167																167
Total Expenditure		29 238	20 030	22 791	1 330	518	4 146	35 459	5 580	-	7 562	16 432	-	-	-	-	143 085
Surplus/(Deficit)		69 499	14 928	(22 746)	(263)	(343)	(3 839)	(33 339)	(5 435)	2 019	(7 562)	(16 432)	-	-	-	-	(3 511)
Transfers recognised - capital								38 925									38 925
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		69 499	14 928	(22 746)	(263)	(343)	(3 839)	5 586	(5 435)	2 019	(7 562)	(16 432)	-	-	-	-	35 414

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		44 304	36 573		53 891	53 891	53 891	53 891	30 000	40 000	
Other current investments > 90 days				600							
Total Call investment deposits	2	44 304	36 573	600	53 891	53 891	53 891	53 891	30 000	40 000	
Consumer debtors											
Consumer debtors		8 546	13 474	23 474	26 667	26 667	26 667	26 667	22 667	19 267	
Less: Provision for debt impairment					(2 582)	(2 582)	(2 582)	(2 582)	(2 737)	(2 901)	
Total Consumer debtors	2	8 546	13 474	23 474	24 085	24 085	24 085	24 085	19 930	16 366	
Debt impairment provision											
Balance at the beginning of the year			(11 517)	11 517	7 760	7 760	7 760	7 760			
Contributions to the provision			(4 917)	4 917	2 582	2 582	2 582	2 582			
Bad debts written off			8 674	(8 674)							
Balance at end of year		-	(7 760)	7 760	10 342	10 342	10 342	10 342	-	-	
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		98 470	185 916	205 141	274 672	274 672	274 672	274 672	303 005	331 617	
Leases recognised as PPE											
Less: Accumulated depreciation			9 594	10 106	10 712	10 712	10 712	10 712	11 350	12 031	
Total Property, plant and equipment (PPE)	2	98 470	176 322	195 035	263 960	263 960	263 960	263 960	291 655	319 586	
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)				7 551							
Current portion of long-term liabilities					2 568	2 568	2 568	2 568			
Total Current liabilities - Borrowing		-	-	7 551	2 568	2 568	2 568	2 568	-	-	
Trade and other payables											
Trade and other creditors		16 905	25 194	23 443	27 284	27 284	27 284	27 284	24 395	27 555	
Unspent conditional transfers		26 211	10 720								
VAT											
Total Trade and other payables	2	43 116	35 914	23 443	27 284	27 284	27 284	27 284	24 395	27 555	
Non current liabilities - Borrowing											
Borrowing				17 506							
Finance leases (including PPP asset element)			12 196								
Total Non current liabilities - Borrowing	4	-	12 196	17 506	-	-	-	-	-	-	
Provisions - non-current											
Retirement benefits		9 389	1 874	1 874	1 874	1 874	1 874	1 874	1 874	1 874	
List other major provision items											
Refuse landfill site rehabilitation				6 260	3 623	3 623	3 623	3 623	3 623	3 623	
Other			3 623								
Total Provisions - non-current		9 389	5 497	8 134	5 497	5 497	5 497	5 497	5 497	5 497	
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		85 501	140 525	142 595	236 012	236 012	236 012	236 012	279 705	323 081	
GRAP adjustments											
Restated balance		85 501	140 525	142 595	236 012	236 012	236 012	236 012	279 705	323 081	
Surplus/(Deficit)		54 758	58 205	43 675	44 263	46 329	46 329	46 329	39 724		

Table 44 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Services provided by 'external mechanisms'		Total number of households	2009/10	2010/11	2011/12	Current Year 2016/17	2017/18 Budget, Year Provision & Expenditure				
			Outcomes	Outcomes	Outcomes	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Current Year 2016/17	Budget Year 2017/18
Results of service providers	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers
	1	1	1	1	1	1	1	1	1	1	1
	2	2	2	2	2	2	2	2	2	2	2
	3	3	3	3	3	3	3	3	3	3	3
	4	4	4	4	4	4	4	4	4	4	4
	5	5	5	5	5	5	5	5	5	5	5
	6	6	6	6	6	6	6	6	6	6	6
	7	7	7	7	7	7	7	7	7	7	7
	8	8	8	8	8	8	8	8	8	8	8
	9	9	9	9	9	9	9	9	9	9	9
Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers
	10	10	10	10	10	10	10	10	10	10	10
	11	11	11	11	11	11	11	11	11	11	11
	12	12	12	12	12	12	12	12	12	12	12
	13	13	13	13	13	13	13	13	13	13	13
	14	14	14	14	14	14	14	14	14	14	14
	15	15	15	15	15	15	15	15	15	15	15
	16	16	16	16	16	16	16	16	16	16	16
	17	17	17	17	17	17	17	17	17	17	17
	18	18	18	18	18	18	18	18	18	18	18
Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers	Results of service providers
	19	19	19	19	19	19	19	19	19	19	19
	20	20	20	20	20	20	20	20	20	20	20
	21	21	21	21	21	21	21	21	21	21	21
	22	22	22	22	22	22	22	22	22	22	22
	23	23	23	23	23	23	23	23	23	23	23
	24	24	24	24	24	24	24	24	24	24	24
	25	25	25	25	25	25	25	25	25	25	25
	26	26	26	26	26	26	26	26	26	26	26
	27	27	27	27	27	27	27	27	27	27	27

Table 45 MBRR SA32 – List of external mechanisms

[illegible]

2.14 Municipal manager's quality certificate

I, MUNICIPAL MANAGER of Okhahlamba Local Municipality, hereby certify that the draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Okhahlamba Local Municipality (KN 235)

Signature _____

Date _____
